

Runnymede Borough CouncilStandards and Audit CommitteeTuesday, 3 October 2023 at 7.30 pm

Members of the Committee present: Councillors M Cressey (Vice-Chairman), S Dennett, L Gillham (In place of S Williams), S Jenkins, J Mavi, S Walsh and S Whyte.

Members of the Committee absent: Councillors J Hulley (Chairman), M Singh, S Williams and J Wilson.

25 **Notification of Changes to Committee Membership**

To record that Councillor S Williams was substituted by Councillor L Gillham.

26 **Minutes**

The Minutes of the meeting of the Committee held on 18 July 2023 were confirmed and signed as a correct record.

27 **Apologies for Absence**

To record apologies for absence from Councillors J Hulley, M Singh and J Wilson.

28 **Declarations of Interest**

There were no declarations of interest.

29 **External Audit Update**

The Committee noted a written update presented by Officers from BDO regarding the outstanding external audit of the Council's Statement of Accounts for 2019/20.

The Committee was advised that the revised date of completion was unachievable and that it was very unlikely that any progress could be made until November. This was because BDO had, in agreement with others, prioritised finalisation of NHS audits before moving on to address the backlog in local government audits.

Officers confirmed that the Council had provided all the information required; the delay was with BDO for which apologies were readily offered.

The Committee was concerned that the continued delay gave rise to the potential for reputational damage, if residents held the unfounded perception that the Council's finances were in question.

BDO re-iterated that the work they were concluding was both complex and time consuming but that now they had the resources in place, progress could be made. The specific piece of work was around the Council's significant investment property portfolio and legal and governance issues pertaining thereto.

The other delay was in receiving an update from central government on guidance to deal with the backlog of audits which was a national problem. The National Audit Office had set up a Programme Board and a number of working groups to consider how proposed statutory deadlines for completion of audits could be delivered.

It was confirmed that the Council would not get a reduced fee to reflect the delays. In fact the opposite was very likely to be the case as BDO had indicated that they would be requesting an additional sum on top of the core audit fee to reflect the complexity of auditing and their view that as the fee structure was set some time ago it had not kept pace with changes in local government operations and subsequent workload. Officers agreed to present BDO's Fee Variation request to a future meeting of the Committee for consideration prior to its submission to the Public Sector Audit Appointments (PSAA).

With regard to the publication of the draft unaudited 2022/2023 statement of accounts, this too had not been completed for which RBC Officers apologised. The Committee was reassured that when Officers could work on these, they would, but were now in the Council's budget setting phase and had a number of pressures on the team to resolve. Whilst Members appreciated the difficulties, Officers were urged to publish a draft set of accounts for 2022/2023 as a top priority.

The report was duly noted.

30 **Summary Internal Controls Assurance (SICA) Report 2023/2024**

The Committee received for information TIAA's regular report on progress with the internal audit programme.

At the request of Members an additional column on 'priority' was included which was appreciated. Officers were pleased to report that since the last meeting, the following audits from the 2022/2023 programme had been completed:

- Housing Allocations and Homelessness
- ICT Service Desk
- Key revenues Controls

Where there were priority 1 or 2 recommendations these were also reviewed by the Committee. In this instance, there were 4 priority 2 recommendations for the Housing Audit and 2 for ICT. This completed the 2022/2023 programme.

In addition, two further audits had been finalised from the 2023/2024 plan. These were:

- Recruitment
- Corporate Governance

The Committee agreed they would like to review the audit on Corporate Governance at the next scheduled meeting in November 2023.

Officers confirmed that everything was going to plan in accordance with the agreed timescales.

The Committee noted the inclusion of a section on use of Artificial Intelligence (AI) and Data analytics by TIAA. Officers confirmed that this was at the research stage in conjunction with the University of Essex. TIAA's Officers were asked to confirm how issues of governance and due diligence were dealt with in the use of AI in audit work.

The report was duly noted.

31 **Internal Audit Progress Report for Outstanding Recommendations**

The Committee noted progress with reducing the number of outstanding recommendations from previous audits.

Members were pleased to note that 13 had now been implemented, leaving just two recommendations outstanding from the 2022/2023 programme. These concerned compliance by other business centres with completion of two audits falling under the remit of Law and Governance; namely Data Protection and Information Governance.

Officers were asked to instruct the relevant Officer at the Depot who had not yet provided their Information Asset Register for Refuse and Recycling to do so as matter of urgency and if unable to, to attend the next scheduled meeting of the Committee, noting that 25 out of 26 had been completed.

Officers were also asked to confirm a revised implementation date for completion of the Record of Processing Activities (RoPAs) by the three outstanding service areas, noting that 25 out of 28 had been completed.

Officers were thanked for their report which was duly noted.

32 **Risk Management Framework 2023-2026**

The Committee was asked to recommend for approval by full Council, a new Risk Management Framework. The aim was to formalise, embed and continuously improve processes and procedures for the identification, evaluation and control of risks within and across the organisation.

Officers explained that the Framework was developed to support delivery of actions in the Annual Governance Statement in support of compliance with the Local Code of Corporate Governance.

Members noted the agreed definitions of risk and risk management and fully supported the intention to make the Council more risk aware to support decision making by adopting a 5 stage process to risk management. This involved:

- Setting the Council's objectives and risk appetite
- Identifying risks
- Risk evaluation
- Taking action to manage risks
- Monitoring and reporting

Each stage of the process was detailed in the Framework and Members agreed it was very comprehensive and should ensure consistency and transparency.

As a way of embedding the consideration of risk a motion was proposed and seconded to add an additional recommendation making it mandatory that a separate section on risk implications was added to the committee report template.

Officers planned to submit the Risk Appetite Statements to the next scheduled meeting of the Committee in November 2023. This supplemented the Risk Management Framework and was proposed to be updated annually as part of annual budget and business planning. A report presenting an update on and highlighting aspects of the Corporate Risk Register and associated activity would be considered at the scheduled meeting of the Committee in January 2024. Thereafter, it was intended that a report on corporate risks and mitigation would be reported twice a year to the Committee.

In addition, Officers reported that the capital and investment strategy contained further details of financial risk appetite specifically for commercial and regeneration, portfolio and divestment opportunities.

Members were very supportive of the Framework, particularly welcoming the addition of risk management to the 'dashboards' produced by the Project Management Office, for senior management and Members, showing risk statistics and movements.

Members noted the policy, resource and legal implications and agreed that failure to take advantage of opportunities and mitigate business risks was a major risk to the Council which could impact on its ability to deliver strategic objectives. In addition, the Committee acknowledged that a failure to regularly review and update the Risk Management Framework could have an adverse impact on the Council's Annual Governance Statement.

The next steps following adoption of the Framework would be a series of briefings for managers, the release of the tool kit and resources, development of the dashboard for reporting and implementation of the reporting schedule to the Committee.

Officers were thanked for their input into creating the Risk Management Framework and looked forward to receiving updates at future meetings and to having an active involvement in risk management.

Resolved that full Council be recommended to:

- i) approve the Risk Management Framework presented at Appendix 'A' of the Officer's report; and**
- ii) a section on risk implications be made mandatory on all relevant reports to Committees to ensure that all risks and mitigatory measures are identified**

33 **Local Government Ombudsman Annual Report 2022/2023**

The Committee received the Local Government Ombudsman's Annual review of cases for the year ending 31 March 2023.

Members noted receipt of the Ombudsman's letter to the authority. Officers highlighted a change in approach by the Ombudsman who were now more selective in what they investigated, prioritising cases considered to be in the public interest. As a result, more complaints had been upheld across the public sector.

The Ombudsman stated that a compliance rate of less than 100% was a concern. Therefore, Officers were pleased to report that Runnymede had no recommendations that were due for compliance in the reporting period.

Officers confirmed that the Council's rate of providing a satisfactory remedy was 67% (2 out of 3). The way this was judged was a matter of timing. Members noted that this meant the authority had remedied the complaint but only after the Ombudsman became involved.

The Committee was asked to note a consultation had just opened on a joint code of complaint handling with the Housing Ombudsman. Officers advised that the closing date for responses was 23 November 2023. Therefore, a response would be drafted for the Committee's approval at its next meeting in November.

Officers reported that the Ombudsman had received 9 referrals for this Council and issued 10 decisions in the year ending 31 March 2023. Members noted that the three cases which the Ombudsman investigated in detail were all upheld and that two were remedied before reaching the Ombudsman.

Officers confirmed that the facts of the third case concerning Housing were a matter of

public record with personal details redacted and available on the Ombudsman's website. Members recalled that as a result of the case the Council updated its Home Assistance Policy and created a tenure neutral service which was approved by both the Housing and Community Services Committees. This was now implemented and relevant staff trained accordingly. Members were content that the Ombudsman was satisfied with the actions taken to remedy the complaint.

Members examined some examples of decisions made about other local authorities from which lessons could be learned and service improvements made. In respect of one of these examples, Officers in Environmental Services were asked to provide the Committee with details of the Council's policy and procedures for dealing with noise complaints and to confirm whether it included the provision to advise residents in writing to tell them the outcome of an investigation into noise nuisance and their option to pursue private action under Section 82 of the Environmental Protection Act.

Officers confirmed that as with cases elsewhere, delays did play a part in some complaints raised with the Ombudsman. Members agreed there was a balance to be struck between responding within the Council's policy parameters and managing expectation, especially in cases which were complex and where resources were limited.

Officers were also asked to highlight the 'lessons learned' examples to the Council's Senior Leadership Team.

Members reviewed comparative data with other authorities in Surrey, noting that the County Council's figures were higher than other authorities because their remit included Adult Social Care and Education.

Officers confirmed that reporting on cases in this way fulfilled the Council's legal obligations under section 5(2) of the Local Government and Housing Act 1989 to report Ombudsman decisions.

Officers were thanked for their report which was duly noted.

34 Exclusion of Press and Public

There were no exempt or confidential items on the agenda.

(The meeting ended at 8.18 pm.)

Chairman